

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-662

December 11, 2002

CENTRAL MAINE POWER COMPANY
Request for Approval of Affiliated Interest
Transaction with Union Water Power Company
For Installation of Fiber-Optic Cable

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we approve an affiliated interest transaction between Central Maine Power Company (CMP or the Company) and its affiliate Union Water Power Company (Union), through Union's "OnTarget" business division, whereby OnTarget will install approximately 4.0 miles of fiber optic cable along CMP distribution routes in Portland and in Lewiston, Maine.

II. BACKGROUND

On October 30, 2002, CMP filed a request for approval of an affiliated interest transaction with Union. The transaction involves installation of owner-furnished ADSS fiber cable and hardware in the Portland and Lewiston areas. The bulk of the 4.0-mile section of cable will be primarily aerially mounted on CMP's distribution poles and will run between CMP's Canco Road Building and its substation on Spring Street in Portland. The Lewiston section, a 700-foot underground run, will connect a Florida Power & Light facility to CMP's Gulf Island sub-station. The Company states that the project is intended to enhance overall system reliability by providing a physically distinct communications link between these facilities.

CMP issued a request for quotation (RFQ) on October 11, 2002 to three companies and received two bids, which were opened on October 29. On Target's bid was substantially lower than the competing bid and it was thus the low-cost vendor in the competitive bid process.

III. DECISION

A public utility may not arrange for the furnishing of any service with an affiliated interest until the Commission finds that the arrangement is not adverse to the public interest. 35-A M.R.S.A. § 707(3). In previous arrangements between Union and CMP approved by this Commission, the Commission has considered whether the arrangement has been made on an arm's-length basis. Entering into a contract with an affiliate based on that affiliate's submitting the lowest bid through a fair bidding process is one indicator that a transaction is arm's-length and likely not to be adverse to the

public interest. The material submitted with CMP's petition indicates that a fair bidding procedure took place and that OnTarget was chosen based on its submitting the lowest bid.¹

Accordingly, we

O R D E R

That the arrangement between Central Maine Power Company and Union Water Power Company described in CMP's petition filed October 30 and in materials filed on December 3, 2002, is approved.

Dated at Augusta, Maine, this 11th day of December, 2002.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

¹ The Hearing Examiner issued a Protective Order on November 27, 2002 covering the materials submitted by bidders as well as CMP's bid evaluation documents in response to the RFQ. CMP submitted the confidential information on December 3.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.